

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
COME-00 EPG-02 DODE-00 EB-07 FEAE-00 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 OES-07 SP-02 SS-15 STR-04 ACDA-07 NSF-01
PA-01 PRS-01 IGA-02 /104 W
-----131206Z 047320 /50

R 131005Z JUN 77

FM AMEMBASSY JIDDA

TO TREASURY WASHDC

INFO SECSTATE WASHDC 8618

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E.O. 11652: N/A

TAGS: USSAEC

SUBJECT: SOLERAS: PLANNING FOR PROJECT

REF: USLO RIYADH 0135

EMBASSY HEREBY TRANSMITS FOLLOWING MESSAGE FROM USREP/RIYADH:
BEGIN QUOTE. FOR OSAA FROM USREP. REF: OSAA 610.

1. WE WOULD APPRECIATE HAVING A COPY OF THE DRAFT PROJECT AGREEMENT NOW BEING CLEARED BY WASHINGTON AGENCIES. DR. OBAID HAS ALSO REQUESTED A COPY AND WE WOULD LIKE TO ACCOMMODATE HIM ON AN INFORMAL BASIS. WE WOULD NOT DISCUSS IT FORMALLY WITH SAG ACTION PARTIES UNTIL IT IS CLEARED. HOWEVER, WE MIGHT CONTRIBUTE TO DEVELOPMENT OF USG POSITION BASED ON BACKGROUND OF INFORMAL DISCUSSIONS OF POTENTIAL SOLAR ENERGY PROJECT WITH DR. OBAID AND OTHERS.

2. WE NOTE CROWN PRINCE FAHD STATED PROJECT QUOTE COULD BE IMPLEMENTED THROUGH SANCST END QUOTE. THIS APPROACH WAS ALSO DISCUSSED DURING MAY 4 OBAID/NSF MEETING IN WASHINGTON.

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WHILE FAHD DID NOT SPECIFICALLY MENTION JOINT COMMISSION IN HIS REFERENCE TO A "JOINT PROGRAM", WE ASSUME BOTH GOVERNMENTS INTEND TO CARRY OUT THE PROJECT THROUGH JOINT COMMISSION. FROM OUR TALKS WITH OBAID HERE WE KNOW HE IS THINKING OF SOLAR ENERGY RESEARCH AS THE INITIAL PRIME "IMPACT" PROJECT FOR SANCST. WE WOULD APPRECIATE VIEWS OF NSF/ERDA AND OTHER WASHINGTON AGENCIES ON THIS APPAR-

ENT LINKING OF SOLERAS AND SANCST PROJECTS.

3. FAHD ALSO SPOKE EXCLUSIVELY OF A "JOINT PROGRAM" WITH THE U.S., WITH THE U.S. MATCHING THE SAUDI CONTRIBUTION OF \$50 MILLION. IN A PRESS INTERVIEW PUBLISHED IN AL-RIYADH DAILY MAY 29, FINANCE MINISTER ABA AL-KHAIL EMPHASIZED SANCST PROJECT, NOTING THAT IT WAS BEING DISCUSSED IN THE COUNCIL OF MINISTERS, AND DECLARED THAT SAG BEGIN INNER QUOTE IS PREPARED TO CONTRIBUTE \$50 MILLION, ON CONDITION THAT THE USA CONTRIBUTE A SIMILAR AMOUNT OF MONEY....THE TOTAL TO BE UTILIZED BY SANCST TO CARRY OUT RESEARCH RELATED TO DEVELOPING THE USE OF SLOAR ENERGY. END INNER QUOTE. HE EMPHASIZED IMPORTANCE OF SOLAR RESEARCH TO THE KINGDOM AND THE WORLD TO DEVELOP AN ALTER-NATIVE TO OIL, AND STRESSED THAT RESULTS OF RESEARCH WOULD BE AVAILABLE TO THE WORLD.

4. OBAID EXPECTS TO HAVE EARLY MEETING WITH MINISTER ABA AL-KHAIL RE SANCST. HE BELIEVES ROYAL DECREE WILL BE PROMULGATED BEFORE SAG SUMMER EXIT FROM RIYADH LATE IN JUNE. OBAID WILL THEN REPORT AS HEAD OF SANCST TO CROWN PRINCE. IN DISCUSSIONS WITH US, OBAID INDICATES HE ASSUMES THAT U.S. WILL MATCH SAUDI FINANCIAL CONTRIBUTION AND THAT ERDA WILL WORK WITH SANCST TO DEVELOP SOLAR ENERGY RESEARCH PROGRAM. HE CONFIRMED DURING MAY 4 MEETING IN WASHINGTON THAT NSF WOULD HAVE NO OBJECTION TO SUCH PARTICIPATION BY OTHER ORGANIZATIONS WHICH HAVE CAPABILITIES IN SPECIFIC FIELDS BEYOND THOSE OF NSF.

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5. WE WOULD APPRECIATE KNOWING USG POSITION ON PROPOSED JOINT FUNDING AND WHETHER THIS OR OTHER ASPECTS OF SOLAR ENERGY PROJECT WERE DISCUSSED WITH FAHD OR ABA AL-KHAIL DURING THEIR U.S. VISIT. IF U.S. DOES NOT REPEAT NOT INTEND TO CONTRIBUTE, IS IT WASHINGTON'S VIEW THAT SAG IS PREPARED TO GO AHEAD WITH UNILATERAL FUNDING, PERHAPS OF A REDUCED PROJECT? IF SO, DO WE HAVE ANY IDEA OF THE SIZE OF SUCH A REDUCED PROGRAM? WOULD IT BE HELPFUL FOR USREP TO EXPLORE THESE QUESTIONS INFORMALLY WITH OBAID OR OTHER OFFICIALS BEFORE WE FORMALLY PRESENT A USG-CLEARED DRAFT AGREEMENT?

6. WOULD BE GRATEFUL FOR CLARIFICATION OF FOREGOING POINT. END QUOTE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SCIENTIFIC COOPERATION, SOLAR POWER, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA04157
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770210-0154
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770664/aaaacdwo.tel
Line Count: 112
Litigation Code IDs:
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Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 42344f7e-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2178520
Secure: OPEN
Status: NATIVE
Subject: SOLERAS: PLANNING FOR PROJECT
TAGS: TECH, US, SA, USSAEC
To: TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/42344f7e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009